

Thinking About Working After Retirement?

for members of Teachers' Retirement System (TRS) Plans 1, 2 and 3

This publication describes possible impacts to your retirement benefit if you return to work for an employer covered by one of the Washington state retirement systems. The Department of Retirement Systems (DRS) has prepared this brochure to help you find answers to many of the questions regarding returning to work after retirement.

When do I become a retiree?

You become a retiree on your effective retirement date. Your effective retirement date is set when you:

- Meet the age and service requirements
- Terminate all TRS-covered employment
- Sever **all** agreements for future DRS-covered employment
- File an application for retirement with DRS.

Once these steps are taken, your effective retirement date — referred to as your “accrual date” in statute — depends on your status at retirement and the plan to which you belong.

Effective retirement dates for TRS Plan 1

Your effective retirement date is July 1, if you are eligible to retire when you separate from service, and you worked 144 days or more in the fiscal year (July 1 - June 30).

Your effective retirement date is the first day of the month after the month you terminated all employment, if you worked less than 144 days in the fiscal year.

If you are **not** eligible to retire when you separate from employment, your effective retirement date is the day you meet the age and service requirements (Ex: five years of service at age 60 or 25 years at age 55).

Effective retirement dates for TRS Plan 2 and TRS Plan 3

Your effective retirement date is the first day of the month following termination of employment, if you are eligible to retire when you separate from service.

If you are **not** eligible to retire when you separate from service, your effective retirement date is the first of the month following the date you meet the age and service requirements.

What do I need to do if I return to work after retirement?

When you return to work, you must let your new employer know that you are a retiree from TRS. It is your employer's responsibility to report any “return to work” hours to DRS.

Returning to work less than 30 days after your effective retirement date

If you return to work for a TRS-covered employer before being retired for 30 calendar days, your benefit will be reduced 5.5 percent for every seven hours worked to a maximum of 140 hours. If the reduction is more than the benefit, the remaining amount will be deducted from the next month's benefit payment. The reduction continues until you are absent from employment with a TRS-covered employer for a full calendar month.

DRS
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Returning to work 30 days after your effective retirement date

Plan 1

As a TRS Plan 1 retiree, you will continue to receive retirement benefits if you return to work at least 30 calendar days after you retire and:

- You work for a private employer, or
- You work for a public employer that is not a public educational facility, or
- You work 1,500 hours or less in a fiscal year (July 1 to June 30) for a public educational facility.

Your pension benefits stop once you work beyond 1,500 hours in a fiscal year (July through June). Your pension resumes following your last day of employment or at the beginning of the next fiscal year, whichever comes first.

Plan 2 and Plan 3

As a TRS Plan 2 or TRS Plan 3 retiree you will continue to receive retirement benefits if you return to work at least 30 calendar days after you retire and:

- You work for an employer that is not covered by a DRS-administered retirement system, or
- You work 867 hours or less in a calendar year in one or more eligible TRS, Public Employees' Retirement System (PERS), School Employees' Retirement System (SERS) or Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) position(s), or
- You work for a DRS-covered employer, but your position is ineligible for membership.

Your retirement benefits stop once you work 867 hours in a calendar year. Your benefits will resume following your last day of employment, or at the beginning of the next calendar year, whichever comes first.

Note: If you terminate employment and apply for retirement, but return to work for a TRS-covered employer before your effective retirement date, your retirement is nullified, you return to active membership, resume paying contributions and return all retiree benefit payments to DRS.

Contract work with a Washington state educational institution

As a retiree, your employment status and rights differ from those of an active, tenured teacher. The duration of a "return to work contract" is limited to one year; however, a contract may be renewed each year at the discretion of your employer.

For more detailed information, contact the Office of the Superintendent of Public Instruction (SPI) at (360) 725-6000, or visit the SPI Web site at www.k12.wa.us/.

Can I return to active membership?

You are not required to return to TRS membership, but you may elect to do so if:

- You are a **TRS Plan 1** retiree and you are employed in a TRS-covered position for a public school, or
- You are a **TRS Plan 2 or TRS Plan 3** retiree and you are employed in an eligible TRS position.

If you retired from TRS with less than 15 years of service credit, you may become a contributing member of PERS, SERS or LEOFF. However, your TRS benefit may be suspended pending termination of your employment.

Your return to active TRS membership may impact your future retirement. Be sure to contact DRS for an estimate before resuming membership. (See "Recalculating your benefit" on page 3.)

What if I retired as a dual member?

A dual member is a retiree who qualified for retirement by using service credit accumulated under more than one system. In certain situations, returning to membership results in termination of benefits under both systems. If you have questions, contact DRS.

What if I am receiving a disability retirement?

If you retired because of a disability, your right to receive a benefit is subject to the same conditions as service retirees. However, DRS may require a disability retiree to have a medical examination at any time. If a medical examination shows that you have recovered from your disability, your disability retirement benefits will stop and you will be restored to TRS membership.

Recalculating your benefit

Plan 1

If your retirement status was terminated because you returned to membership, your retirement benefit will be recalculated when you reapply for benefits.

If you withdrew all or part of your accumulated contributions when you first retired, the withdrawal will affect your new benefit calculation.

Plan 2 and Plan 3

If your retirement status was terminated because you returned to membership, your retirement benefits will be recalculated when you reapply for benefits. If you first retired prior to age 65, the actuarial value of the monthly payments you received will be assessed against your second retirement.

If I return to work, can I contribute to a deferred compensation plan?

Yes. Contributing to a deferred compensation plan has no impact on your retirement benefit. Only the hours that you work affect your monthly retirement benefit. If you have questions, contact the Deferred Compensation Program at 1-888-327-5596. For TDD, call 1-877-847-6041.

Does returning to work affect my health care?

Your health care coverage may be impacted if you return to work. For more information, contact the Health Care Authority (HCA) at (360) 923-2600, or visit the HCA Web site at www.hca.wa.gov.

To learn more

For answers to your re-employment questions, write or call:

Department of Retirement Systems
Attn: Teachers' Retirement System
P.O. Box 48380
Olympia, Washington 98504-8380

Telephone: 1-800-547-6657 (toll-free); or in the Olympia area (360) 664-7000
TDD (for hearing impaired): 1-866-377-8895 (toll-free); or in the Olympia area (360) 586-5450

E-mail Address

recep@drs.wa.gov

DRS Web site

www.drs.wa.gov

Please include the following information in any written correspondence:

- System and Plan
- Social Security number
- Your mailing address
- Daytime telephone number

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The actual rules governing working after retirement are contained in state retirement law. This publication is a summary, written in non-legal terms. It is not a complete description of the law. If there are conflicts between what is written in this publication, and what is contained in the law, the applicable law will govern.